

Top 10 Facts about The State Revolving Loan Funds

1 Credit, not Cash. The state revolving loan programs (SRFs) are finance programs. While the federal government provides grants to states, the ultimate assistance is typically a loan from the state to the local utility. The local utility must repay the loan, which is then loaned out to another project.

2 A Smart Federal Investment. The SRFs ROI is 2:1. The Drinking Water SRF (DWSRF) has turned \$28 billion in federal appropriations into \$57 billion since 1997. The Clean Water SRF (CWSRF) has converted \$52 billion in federal investments since 1988 into \$172 billion invested in clean water, resulting in more than a 3:1 ROI.

3 Below-market Interest Rates. The average rate for either fund is 1.5 percent, well below current market rates, leading to significant savings. For example, a community with an A rating could get a \$20 million loan on the municipal market for 20 years at 4.1 percent. The interest payment would be \$9.5 million. The same community would pay \$4.1 million in interest on a loan from the SRF.

4 Everyone's Invited! The SRFs fund projects of all sizes, while USDA focuses on small systems and WIFIA focuses on regionally and nationally significant projects.

5 State-centric. While the federal government authorizes broad categories of use, each state develops its individualized priority list that meets the needs of its local communities.

6 First and Foremost. The CWSRF and DWSRF have been the primary federal mechanisms for funding water infrastructure since 1986 and 1997, respectively.

7 Green and Innovative: SRFs fund energy and water efficiency, green infrastructure, and environmentally innovative projects, based on state and local priorities. Clean Water SRFs funded more than \$8.6 billion in green projects and Drinking Water SRFs have funded \$1.9 billion in green projects from (2009-2020).

8 Efficient and Exhaustive. In 2023, the CWSRF entered into 1,682 assistance agreements totaling \$8.8 billion in assistance provided.

9 Helping low-income communities. Both funds now allow states to provide additional subsidy to disadvantaged communities. The DWSRF has provided 36 percent of its loans to disadvantaged communities since its creation. The CWSRF in recent years provides about 31 percent of its loans to disadvantaged communities.

10 It's Bipartisan. Support for the SRFs has a long history of bipartisanship in both chambers and across Congresses. Let's keep it going.

The Clean Water State Revolving Fund is an instrumental program that helps clean water agencies implement critical water quality improvement projects nationwide that strengthen public health, foster economic activity, and protect our environment.

 **Why does the CWSRF remain critical?**

Demand for Water Infrastructure Investment is at an all-time high:

- EPA’s 2022 Clean Water Needs Survey (published in 2024) estimates that the national need to maintain existing clean water infrastructure is at least **\$630.1 billion** over the next twenty years. EPA also acknowledges that this figure is likely an underestimate of the nation’s true clean water needs.
- Total needs estimates for water infrastructure increased by about **70%** between 2016 and 2024.

Water infrastructure supports a growing economy:

- Every **\$1 million** invested in water infrastructure supports **15.7** good-paying American jobs.
- Every **\$1 invested** generates **\$2.63** in economic output across the U.S. economy.
- Gutting federal water infrastructure funding would have far-reaching economic consequences – it would jeopardize service reliability, delay necessary upgrades, and weaken our infrastructure workforce.
 - **\$2.46B in proposed cuts = 38,622 jobs lost and \$6.47B in lost output.**



The CWSRF directly impacts communities across the country:

Since inception, the CWSRF has facilitated more than \$172 billion in local water infrastructure investment and supported over 65,000 projects nationwide.

Operates as revolving loan funds, ensuring that states continuously reinvest repaid dollars into new projects.

